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Proposed Counsel for
Official Committee of Unsecured Creditors

**UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
LOS ANGELES DIVISION**

In re:) Case No. 2:19-bk-14989-WB
)
) Chapter 11
SCOOBEEZ, et al.¹)
) Jointly Administered With Case Nos.:
Debtors and Debtors in Possession.) 2:19-bk-14991-WB and 2:19-bk-14997-WB

_____) **Limited Response to:**
Affected Debtor(s):) **Hillair Capital Management, LLC's Notice of**
) **Motion and Motion to Approve Terms of**
☒ All Debtors) **Proposed Stipulation for Interim Use of Cash**
) **Collateral [Dkt No. 61] and**
☐ Scoobeez, Inc.) **Stipulation Between the Debtors and Hillair**
) **Capital Management for (1) Authorization to**
☐ Scoobeez Global, Inc.) **Use Cash Collateral on an Interim Basis; (2)**
) **Appointment of a Chief Restructuring**
☐ Scoobur LLC) **Officer [Dkt. No. 81]**

Hearing:

Date: June 6, 2019
Time: 10:00 a.m.
Location: 255 E. Temple St.
Courtroom 1375, 13th Floor
Los Angeles, CA 90012

¹ The Debtors and the last four digits of their respective federal taxpayer identification numbers are as follows: Scoobeez (6339); Scoobeez Global, Inc. (9779); and Scoobur, LLC (0343). The Debtors' address is 3463 Foothill Boulevard, Glendale, California 91214.

1 1. The Official Committee of Unsecured Creditors (the “Committee”) in the jointly
2 administered bankruptcy cases of Scoobeez, Inc. and Scoobeez Global, Inc. (each a “Debtor”
3 and, collectively, the “Debtors”), debtors and debtors in possession herein, respectfully submits
4 its limited response (the “Limited Response”) to *Hillair Capital Management, LLC’s Notice of*
5 *Motion and Motion to Approve Terms of Proposed Stipulation for Interim Use of Cash*
6 *Collateral* (the “Motion”) [Dkt No. 61] and *Stipulation Between the Debtors and Hillair Capital*
7 *Management for (1) Authorization to Use Cash Collateral on an Interim Basis; (2) Appointment*
8 *of a Chief Restructuring Officer* (the “Stipulation”) [Dkt. No. 81] filed by Hillair Capital
9 Management, LLC (“Hillair”).

10 2. On April 30, 2019 (the “Petition Date”) the Debtors filed their voluntary petitions
11 commencing their chapter 11 bankruptcy cases.

12 3. On May 16, 2019, Hillair filed the Motion. A stipulation is attached as “Exhibit
13 1” to the Motion.

14 4. On May 20, 2019, the Office of the United States Trustee (the “UST”) formed the
15 Committee. *See*, Dkt. No. 72.

16 5. On May 22, 2019, Committee met and hired Levene, Neale, Bender, Yoo & Brill
17 L.L.P. as its proposed bankruptcy counsel.

18 6. On May 22, 2019, Hillair filed the Stipulation (and with the stipulation attached
19 as “Exhibit 1” to the Motion, collectively, the “Stipulations”).

20 7. On May 22, 2019, the Committee, through counsel, contacted the Debtors and
21 Hillair to request an extension of the deadline for the Committee to respond to the Motion and
22 Stipulation through May 28, 2019; both the Debtors and Hillair agreed to extend the deadline to
23 May 28, 2019.

24 8. The Committee files this Limited Response to the Motion and Stipulation in an
25 abundance of caution and to avoid any confusion. The Stipulations both have hearing dates of
26 May 14, 2019, on their caption pages though they appear to be set for consideration at the
27 hearing scheduled for June 6, 2019, at 10:00 a.m. (the “Hearing”). The Committee objects to the
28

1 entry of an order approving the Stipulations prior to the Hearing. The Committee also objects
2 that any such order should make clear that any waivers of rights, claims, defenses, or causes of
3 action by the Debtors are not binding on the Committee or other third parties.

4
5 Dated: May 24, 2019

Official Committee of Unsecured Creditors

6 By: /s/ John-Patrick M. Fritz

7 David L. Neale

John-Patrick M. Fritz

8 LEVENE, NEALE, BENDER,

YOO & BRILL L.L.P.

9 Proposed Counsel for the Official

Committee of Unsecured Creditors
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PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:

10250 Constellation Blvd., Suite 1700, Los Angeles, CA 90067

A true and correct copy of the foregoing document entitled (*specify*): **Limited Response to: Hillair Capital Management, LLC's Notice of Motion and Motion to Approve Terms of Proposed Stipulation for Interim Use of Cash Collateral [Dkt. No. 61] and Stipulation Between the Debtors and Hillair Capital Management for (1) Authorization to Use Cash Collateral on an Interim Basis; (2) Appointment of a Chief Restructuring Officer [Dkt. No. 81]** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) May 24, 2019, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☒ Service information continued
on attached page

2. SERVED BY UNITED STATES MAIL:

On May 24, 2019, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued
on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (*state method for each person or entity served*): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on May 24, 2019, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

Via Attorney Service
The Honorable Julia W. Brand
U.S. Bankruptcy Court, Suite 1382
255 E. Temple St
Los Angeles, CA 90012

☐ Service information continued
on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

May 24, 2019

Jason Klassi

/s/ Jason Klassi

Date

Printed Name

Signature

2:19-bk-14989-WB Notice will be electronically mailed to:

John-Patrick M Fritz on behalf of Attorney Official Committee Of Unsecured Creditors
jpf@lnbyb.com, JPF.LNBYB@ecf.inforuptcy.com

John-Patrick M Fritz on behalf of Interested Party Levene, Neale, Bender, Yoo & Brill L.L.P.
jpf@lnbyb.com, JPF.LNBYB@ecf.inforuptcy.com

Alvin Mar on behalf of U.S. Trustee United States Trustee (LA)
alvin.mar@usdoj.gov

Ashley M McDow on behalf of Debtor Scoobeez
amcdow@foley.com, sgaeta@foley.com;mhebbeln@foley.com;swilson@foley.com;jsimon@foley.com

Ashley M McDow on behalf of Debtor Scoobeez Global, Inc.
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Ashley M McDow on behalf of Debtor Scoobur LLC
amcdow@foley.com, sgaeta@foley.com;mhebbeln@foley.com;swilson@foley.com;jsimon@foley.com

Rejoy Nalkara on behalf of Creditor BMW Financial Services NA, LLC, c/o AIS Portfolio Services, LP
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Anthony J Napolitano on behalf of Creditor Hillair Capital Management LLC
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David L. Neale on behalf of Interested Party Levene, Neale, Bender, Yoo & Brill L.L.P.
dl@lnbyb.com

Gregory M Salvato on behalf of Interested Party INTERESTED PARTY
gsalvato@salvatolawoffices.com,
calendar@salvatolawoffices.com;jboufadel@salvatolawoffices.com;gsalvato@ecf.inforuptcy.com

Steven M Spector on behalf of Creditor Hillair Capital Management LLC
sspector@buchalter.com, IFS_efiling@buchalter.com;salarcon@buchalter.com

United States Trustee (LA)
ustpregion16.la.ecf@usdoj.gov